

Fundhost Limited

ABN 69 092 517 087 | Australian Financial Services Licence (AFSL) No. 233045



Information Booklet

Dated 30 June 2022

The information in this document forms part of the Product Disclosure Statement dated 30 June 2022 and issued by Fundhost Limited as responsible entity of the

Third Link Growth Fund

ARSN 130 165 552 | APIR TGP0014AU

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About this Information Booklet

The information in this Information Booklet forms part of the Product Disclosure Statement (**PDS**) issued by Fundhost Limited (**Fundhost, we or us**) as responsible entity of the Third Link Growth Fund ARSN 130 165 552 (**the Fund**) and dated 30 June 2022.

Defined terms used in the PDS have the same meaning in this Information Booklet unless stated otherwise.

We recommend that you keep a copy of the PDS for the Fund and this Information Booklet handy for future reference.

The information contained in the PDS and this Information Booklet is general information only and has been prepared without taking into account your personal objectives, financial situation or needs. You should read this Information Booklet together with the PDS (in their entirety) before making a decision to invest in the Fund. You should consult a licensed financial adviser to obtain financial advice that is tailored to suit your personal circumstances before proceeding to acquire or dispose of units in the Fund.

You can access the PDS and this Information Booklet on our website at www.fundhost.com.au or at www.thirdlink.com.au. Fundhost will provide you, free of charge, a paper copy of the PDS and this Information Booklet upon request when you contact us on +61 2 8223 5400.

Third Link Investment Managers Pty Limited ABN 31 128 965 702 (**Third Link**) and National Australia Bank Limited ABN 12 004 044 937 (**NAB**) have each given, and as at the date of this Information Booklet have not withdrawn, their consent to inclusion in the PDS and this Information Booklet of the statements concerning each of them in the form and context in which they are included.

NAB's role as custodian is limited to holding the assets of the Fund as Fundhost's agent. NAB has no supervisory role in relation to the operation of the Fund and is not responsible for protecting your interests.

NAB has no liability or responsibility to you for any act done or omission made in accordance with the terms of the custody agreement. NAB makes no statement in the PDS or this Information Booklet and has not authorised or caused the issue of it.

Investments of the Fund do not represent investments in, deposits with or other liabilities of, NAB or any other member of the NAB group of companies (**NAB Group**). Neither NAB, nor any other member of NAB Group, in any way stands behind the capital value, nor do they guarantee the performance of the investment or the underlying assets of the Fund, or provide a guarantee or assurance in respect of the obligations of Fundhost or its related entities.

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Part A

How the Fund works

Investing and withdrawing

Investing

To invest in the Fund, you must first seek approval to apply from Third Link by emailing enquiries@thirdlink.com.au. Both your application form and investment must be received by **4pm** Sydney time on the last business day of the month, to be processed using the unit price effective for that month (otherwise your application will be processed the next month).

Additional investments will generally be processed monthly. Applications and funds should be received by **4pm** Sydney time on the last business day of the month.

You may also choose to have your distributions reinvested into the Fund. You can indicate your preference in the application form or by contacting Fundhost. If you do not indicate a preference, your distributions will be automatically reinvested.

Withdrawing

Units in the Fund are not listed on any stock exchange like the ASX, so you cannot sell your units through a stockbroker.

If you want to withdraw your money, simply contact us in writing and tell us how much you need to withdraw. This is called a redemption request.

Your signed redemption request must be received by **4pm** Sydney time, 10 clear business days before month end, in order to be processed using the unit price effective for that month (otherwise your redemption will be processed the next month).

We accept scanned or faxed redemption requests on the following conditions:

- all instructions must be legible
- instructions must bear your investor number or name and signature and
- redemption proceeds will only be transferred to the financial institution account previously nominated on the application form.

You will need to accept full responsibility (to the extent permitted by law) for loss arising from us acting upon faxed or scanned instructions which comply with these security processes and you also agree to release and indemnify us in respect of any liabilities arising from us acting on faxed or scanned instructions (including future instructions), even if those instructions are not genuine. Also you agree that neither you nor any other person has any claim against us in relation to a payment made or action taken under the facsimile or scanned instruction service if the payment is made in accordance with these conditions. These terms and conditions are additional to any other requirements for giving redemption instructions.

The amount of money you receive is determined by the unit price we calculate at the time of your redemption request. We can withhold from amounts we pay you any amount you owe us or we owe someone else relating to you (for example, the tax office).

We generally pay all redemption proceeds in cash, but we are permitted under the constitution for the Fund to pay proceeds in kind (i.e. in specie share transfer).

Delays

In certain circumstances we may need to delay withdrawal of your money. We can delay withdrawal of your money if:

- there are not enough investments which we can easily turn into cash (the law dictates this). We don't anticipate the Fund would ever become illiquid but if it did, the law says we can (if we wish) make some money available, and requires us to allocate it on a pro rata basis amongst those wanting to exit or
- we receive a quantity of redemption requests representing more than 20% of the value of the investments of the Fund. In this case we can stagger withdrawal payments.

In certain circumstances we can also delay withdrawal of your money for so long as the relevant event continues. The constitution sets out the full range of circumstances in which we can delay withdrawal of your money and these include (among others) if:

- it is desirable for the protection of the Fund or in the interests of the Investors as a whole including if any relevant financial, stock, bond, note, derivative or foreign exchange market is closed or trading on any such market is restricted
- an emergency (including an emergency caused by a mechanical or electronic malfunction) exists as a result of which it is not reasonably practicable for us to acquire or dispose of assets or to determine fairly the unit price
- any state of affairs exists as a result of which we consider or determine that it is not, or may not be, reasonably practicable to acquire or dispose of assets or to determine fairly the amount of the unit price (including any moratorium declared by a government of any country), and the state of affairs will or may affect to a significant degree our ability to acquire or dispose of assets or the prices at which we may acquire or dispose of assets or
- sufficient assets of the Fund cannot be realised at an appropriate price or on adequate terms or otherwise due to circumstances outside our control.

We can give you back your invested money without you asking

Under the Fund's constitution, subject to the Corporations Act, we can redeem some or all of your units without you asking. The circumstances in which we may choose to exercise this power include:

- if your account falls below the minimum investment amount
- if you breach your obligations to us (for example, you provide misleading information in your unit application form)

- to satisfy any amount of money due to us (as responsible entity or in any other capacity relevant to the Fund) by you
- to satisfy any amount of money we (as responsible entity or in any other capacity relevant to the Fund) owe someone else relating to you (for example, to the tax office)
- where we suspect that the law prohibits you from legally being an investor or
- such other circumstance as we determine in our absolute discretion (but we must always act in the best interests of investors as a whole when deciding to do this).

How we calculate unit prices

We calculate unit prices in three steps:

1. we calculate the value of the investments of the Fund and take away the value of the liabilities as defined in the Fund's constitution
2. we divide this result by the number of units we have on issue to obtain the unit mid-price
3. we then make an adjustment (up for the entry price, to take account of the costs of buying investments and down for the exit price to take account of the costs of realising investments) called a buy-sell spread. The buy-sell spread does not represent a fee to Fundhost or Third Link and is discussed in more detail in "Additional explanation of fees and costs" in the PDS.

These steps give us a price per unit.

The end of day market price on the last business day of each month is used for valuing the investments of the Fund.

Part B

Benefits of investing in the Fund

Benefits and features

Investing in a managed investment scheme can offer a number of benefits including professional investment management – your money is managed by professionals who use their resources, experience and specialist skills to make the investment decisions on behalf of all investors in the Fund.

Donations to charity

All fees received by Third Link from managing the Fund's investments, net of expenses incurred, are donated to the charitable sector. The donations to the charitable sector do not dilute the investment returns. Since the inception of the Fund in April 2008 up until the date of this PDS, these donations have totalled in excess of \$17 million.

Third Link operates with a belief that a prosperous Australia is one where all segments of the population thrive. It aims to forge long-term partnerships with quality not-for-profit organisations that primarily pursue one or more of the following objectives:

- amplifying the voice of young people in society
- assisting with pathways to employment for at risk young people or
- shifting the dial on critical issues affecting young people.

From time to time Third Link may also choose to support other charitable organisations where it believes passionately in their activities.

Third Link prefers to back organisations that take a 'systems approach' to tackling issues and who collaborate with key stakeholders and complementary services. It seeks to have a national footprint with its giving, representative of the investors that make up the Fund.

Third Link engages expert advice to make recommendations on and monitor the performance of partner organisations.

The Third Link website contains a list of all organisations that have been supported since the Fund began, together with detailed information on current community partners.

Risk management

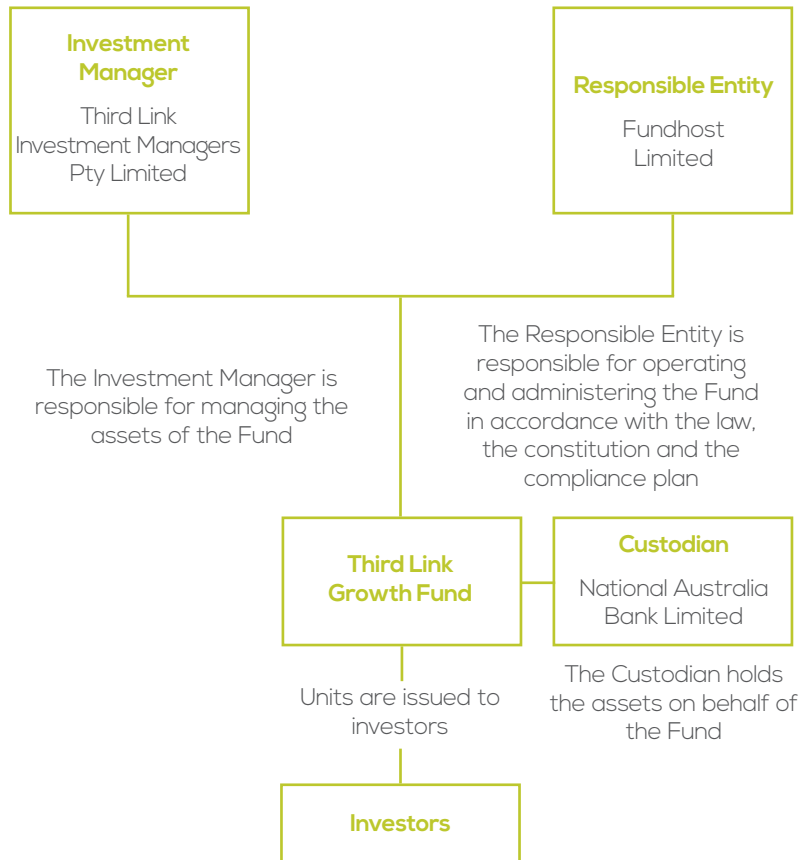
Depending on the type of investments a fund chooses to focus on, your decision to invest in one or perhaps more managed funds can be a good way to help better manage the impact of risk on your investments. Spreading risk often reduces the highs and lows of investment performance and helps reduce the impact on you of one or more types of investments performing poorly.

Corporate governance

Under the Corporations Act and the Fund documents, investors are provided with several layers of independent oversight providing a robust and appropriate corporate governance structure. The structure provides additional investor safeguards through the separation of duties, specialisation of expertise, clear lines of responsibility and layered approval processes.

The Fund is operated and administered by a responsible entity (Fundhost) that holds an appropriate Australian Financial Services Licence (AFSL). Fundhost has appointed NAB as the independent custodian to hold the assets of the Fund. Third Link is the investment manager of the Fund.

The following diagram summarises the management and governance structure of the Fund.



Clear legal rights

The constitution establishes the Fund and sets out the rules. Together with the PDS and the law, it governs your relationship with Fundhost and provides you with your (and our) legal rights.

The constitution gives Fundhost rights to be paid fees and expenses and to be indemnified from the Fund. It governs (amongst other things) Fundhost's powers (which are very broad), investor meetings and unit issue, pricing and withdrawal, as well as what happens if the Fund terminates.

The constitution limits Fundhost's need to compensate you if things go wrong. Generally, subject always to liability which the Corporations Act imposes or as the law otherwise requires, Fundhost is not liable to investors, the Fund, any creditors of the Fund or any other person for any amount beyond the amount which it is entitled to recover and is actually indemnified for out of the Fund through its right of indemnity.

The constitution also excludes all other obligations which might otherwise be implied or imposed by law or equity (except, of course, those laws that cannot be excluded).

Fundhost must have investor approval to make changes to the constitution that are adverse to the rights of investors.

You can obtain a free copy of the Fund's constitution by calling Fundhost.

Part C

Risks of managed investment schemes

Risks in general

About risk and return

All investments are subject to varying risks and the value of your investment can decrease as well as increase (i.e. you can experience investment gains or investment losses).

Investment returns are affected by many factors including market volatility, interest rates and economic cycles. Changes in value can be significant and they can happen quickly.

Different types of investments perform differently at different times and have different risk characteristics and volatility.

The significant risks associated with investing in this Fund are discussed in the PDS. We cannot eliminate all risks and cannot promise that the ways they are managed will always be successful. However, the process is an important step in managing many of these risks.

The performance of the Fund will be influenced by many factors, some of which are outside the control of Fundhost and Third Link.

If these risks materialise, your distributions may be lower than expected or there may be none. The value of your investment could fall and you could lose money.

Ways to manage your risk

You can help manage your own risks too. You can:

- know your investment goals and your risk tolerance
- understand risk and return and be comfortable that an investment may not give you the outcomes you hope for
- diversify your investments (that is, don't invest all your monies in the Fund)
- invest for at least the recommended timeframe
- keep track of your investment and
- speak with a financial adviser and make sure the Fund is the right investment for you.

Part D

How we invest your money

The investment process

Fund performance and outlook

Up to date information on the Fund is available from www.fundhost.com.au.

How we invest your money

It is expected that the majority of the Fund's assets will be invested with third party investment managers through one or more of the following structures/arrangements: managed investment funds; individually managed accounts (**IMAs**); managed discretionary accounts (**MDAs**); advisory accounts; listed investment companies (**LICs**); or similar such arrangements.

Exposure to any one manager will be limited to a maximum of 25% of the overall Fund value.

The process of choosing each investment manager is based on their investment style and process, market sector they operate in, the expertise of the investment team, past performance (through different market cycles), quantum of funds under management and a range of other factors. This process is based on Chris Cuffe's extensive industry knowledge, considerable contacts and many years of experience in the investment management industry.

In the absence of changes in key personnel, management methodology or fund size, the Fund is likely to remain invested with a particular manager for the medium to long term. The various managers that the Third Link Growth Fund is invested with are listed on the Third Link website.

A portion of the Fund may also be invested directly by Third Link rather than using third party investment managers. Such investments may include:

- individual listed securities that appear materially undervalued and are judged to have sustainable, robust profits and cash flows (limited to 2.5% of the overall Fund value at the time of purchase for each individual security and 15% in aggregate of the overall Fund value) and/or for each individual security and 15% in aggregate of the overall Fund value) and/or

- unlisted securities which are expected to list within 12 months (limited to 2.5% of the overall Fund value at the time of purchase for each individual security and 10% in aggregate of the overall Fund value).

Cash or cash-equivalent investments may also be held directly by Third Link rather than using third party investment managers.

As stated above, the Fund predominantly invests in other managed investment funds, IMAs, MDAs, advisory mandates, LICs or similar such arrangements. The underlying investments of the Fund may hold varying levels of cash or cash equivalents. Such cash or cash equivalents are not taken into account for the purposes of the asset allocation ranges stated in the PDS.

Within the above framework, the investment strategy will be implemented having regard to the following:

- the desire for the majority of investments to provide a consistent and robust income stream
- Third Link's belief that investment markets are not perfectly efficient and that skilled 'active' investment management can exploit such inefficiencies and
- that derivatives may be used by the Fund to more efficiently gain or reduce exposure to a market or security (compared to holding physical securities) or to protect the Fund's investments from possible adverse events but will not be used speculatively.

To better understand the type of share-based managed investment funds that the Fund will invest in, on the following page is a list of different styles and the Fund's investment preference:

Investment style	Third Link investment preference
<p>Relative versus absolute return - the objective of most funds is to outperform an index or benchmark over the long term (with the index usually representing the market within which it invests) regardless of whether that index is making a return or a loss.</p> <p>Others follow a more 'absolute return' style, with their focus on whether they make a profit or a loss.</p>	<p>Both styles would be considered, though Third Link is not drawn to managers who seek to remain closely aligned to an index.</p>
<p>Active versus index managers - 'active funds' seek superior returns to an index whereas 'index' funds make no attempt to produce superior absolute or relative returns.</p>	<p>Active managers, as markets are often not efficient and skilled active managers can outperform indices.</p>
<p>The role of cash - most managed funds have a 'fully invested' ethos where they aim to have close to 100 per cent of their money invested in the market. Consequently, they hold relatively little cash. However, some funds are prepared to hold cash if they can't find attractive investments.</p>	<p>Both styles would be considered.</p>
<p>Long only or short - some funds will short a security or a market, seeking to generate profit from a fall in the assets value. Others will never short, which is described as being 'long only'.</p>	<p>Both would be considered, though extra scrutiny is applied where shorting is used as this requires separate skills to long only investing.</p>
<p>Value versus growth - 'value' investors generally seek to buy securities that are cheaply priced using particular valuation tools, whereas 'growth' investors are more interested in owning companies expected to be growing rapidly irrespective of whether they are cheap or not.</p>	<p>Third Link has a slight bias to 'value', but recognises many securities can have both 'growth' and 'value' attributes. While appreciating the merits of 'value' investing, attempting to predict with precision the timing of when particular value will be realised is not possible.</p>
<p>Momentum investing - focusing on the recent past, momentum investors buy stocks on the basis of their inertia, caring only about the direction of recent price movements to determine a trend.</p>	<p>Generally, Third Link will select managers who are not momentum investors. Managers who are momentum investors will only be considered if momentum was only one of the factors that the manager takes into account, not the sole factor in their strategy.</p>
<p>Top down versus bottom up - 'bottom up' managers focus primarily on the selection of individual stocks whereas 'top down' managers tend to consider an overriding set of factors affecting a market or the economy before considering any specific investments.</p>	<p>Generally, Third Link will select bottom up managers, though there may be rare cases where a top down manager would be selected.</p>
<p>Large cap versus small cap - some funds invest only in large companies whereas some seek out small companies. Others are indifferent to size.</p>	<p>No particular bias, but Third Link recognises the need for adequate liquidity.</p>
<p>Portfolio concentration - some funds diversify widely by holding stocks in many companies, while others concentrate their investment into only a small number of stocks.</p>	<p>Generally, Third Link prefer more concentrated portfolios as they provide more possibility for active returns.</p>
<p>Quality filters - some funds limit their universe to stocks which they deem to be of good quality with their belief to never buy a poor quality company, irrespective of its price. Others acknowledge that a poor quality company is worth less than a high quality one, but believe that a fair price can be calculated for each.</p>	<p>Third Link prefers shares to be in companies considered to be good quality, as this helps underwrite a base value and reduce the risk of permanent loss of capital.</p>

Part E

Fees and costs

Additional explanation of fees and costs

Can fees be different for different investors?

No.

What are the costs of investing and withdrawing from the Fund?

We have a documented policy in relation to the guidelines and relevant factors taken into account when calculating unit prices. We call this our unit pricing policy. We keep records of any decisions which are outside the scope of the unit pricing policy, or inconsistent with it. A copy of the unit pricing policy and records is available free on request.

Government charges and taxation

Government taxes such as GST will be applied to your account as appropriate. In addition to the fees and costs described in the PDS, standard government fees, duties and bank charges may also apply. Some of these charges may include additional GST and will apply to your investments and withdrawals as appropriate.

The fees outlined in the PDS take into account GST and any reduced input tax credits which may be available.

Part F

How managed investment schemes are taxed

Paying tax

In all likelihood you will need to pay tax in relation to your investment in the Fund. Generally you will pay income or capital gains tax, but you might be able to claim some tax credits or have the benefits of some concessions.

Your tax liability ultimately depends on your circumstances, for example, whether you are an Australian resident. So it is important that you seek professional advice before you invest or deal with your investment.

We will send you the information you need each year to help you to complete your tax return.

We will distribute income and capital gains, if any, shortly after 30 June each year. Distributions could comprise:

- income (like dividends and interest)
- net taxable capital gains (from the sale of the Fund's investments) and
- tax credits (like franking credits attached to dividend income).

Additionally, Australian residents are generally subject to capital gains tax on gains when they withdraw any money or transfer units.

Depending on the kind of taxpayer you are, and how long you have held your units, you may be entitled to a capital gains concession which can reduce the liability by up to one half.

If you choose not to provide us with your Tax File Number (**TFN**) or Australian business number (**ABN**) and don't have an exemption, we must deduct tax at the highest personal rate, plus the Medicare levy, before passing on any distribution to you. The law is very strict on how we can use these details.

The Fund has been elected to operate under the Attribution Managed Investment Trust (**AMIT**) regime and will continue to be, subject to eligibility. As an AMIT, the Fund can attribute amounts of income and tax offsets to investors on a fair and reasonable basis. There is also an ability to adjust the cost base of an investor's interest in the Fund upwards or downwards.

Part G

More information

Privacy

We collect and use personal information about you to administer your investment and also to conduct research.

By applying for units in the Fund you consent and agree to information about you being obtained and used by us. Fundhost will collect and use your information in accordance with our Privacy Policy, a copy of which is available free of charge.

If you fail to provide us with the required information or if you provide us with incomplete or inaccurate information Fundhost may not be able to provide you with the products or services you are seeking within the time periods contemplated in the PDS.

Your information will not be disclosed unless:

- the law requires
- your financial adviser needs the information
- it is in keeping with our Privacy Policy and may be provided to external service providers including the Fund's investment manager, custodian, auditors, taxation and legal advisers and information technology consultants or
- Fundhost needs to send you promotional material. If you don't want this, contact Fundhost anytime.

Fundhost will disclose information if required by law to do so (including under the AML CTF Act).

If you think any of the details that Fundhost holds are wrong or out of date, contact Fundhost and we will correct the details. You can always access the personal information held about you by contacting Fundhost on +61 2 8223 5400.

Anti-money laundering

In order to meet our obligations under the AML CTF Act or taxation legislation, we may require further information from you as to identity, the source of your funds and similar matters.

Fundhost is required to verify that information by sighting appropriate documentation.

Records of the information obtained will be kept and may be required by law to be disclosed. Otherwise the information will be kept confidential.

By applying for units in the Fund, you also agree that Fundhost may in its absolute discretion determine not to issue units to you, may cancel units which have been issued to you or may redeem any units issued to you if Fundhost believes such action to be necessary or desirable in light of its obligations under the AML CTF Act or related legislation and Fundhost will not be liable to you for any resulting loss.

Disclosure of interests

Directors and employees of Third Link and Fundhost may subscribe for units in the Fund.

Unit pricing policy

We may exercise certain discretions in determining the unit price of units on entry in and exit from the Fund. The unit pricing policy, which can be obtained by contacting us at Fundhost, sets out the types of discretions that we may exercise.

Foreign Account Tax Compliance Act and the Common Reporting Standard

The *Foreign Account Tax Compliance Act (FATCA)* is a United States (US) tax law aimed at financial institutions and other financial intermediaries to prevent tax evasion by US citizens and US tax residents through use of non-US investments or accounts. The *OECD Common Reporting Standards for Automatic Exchange of Financial Account Information (CRS)* is a similar global regime aimed at collecting and reporting on an investor's tax status. If you are a foreign resident for tax purposes, then you should note the Fund will comply with its FATCA and CRS obligations by collecting, retaining and reporting about you to the Australian Taxation Office. In order for Fundhost to comply with its FATCA and CRS obligations, Fundhost will request certain information from investors as set out in the application form. Please consult your tax advisor should you wish to understand the implications of FATCA and CRS on your particular circumstances.